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International assistance for the rehabilitation and reconstruction of Nicaragua: aftermath of the war and natural disaster

Report of the Secretary-General

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I. Introduction

1. The General Assembly, in its resolution 53/1 D of 16 November 1998, encouraged the Government of Nicaragua to support the development of medium- and long-term national programmes and strategies, in particular those related to poverty alleviation, economic and social development and the resolution of problems related to property, with a view to the consolidation of a stable democracy. The General Assembly also stressed the need for the international community to continue its cooperation with Nicaragua with a view to the effective promotion of its economic growth and development, the conservation of its natural resources and the strengthening of its democracy.

II. Political background

2. The second quarter of 1998 was characterized by the Consultative Group meeting for Nicaragua, which was held in Geneva on 1 and 2 April 1998. As a result of that meeting, international donors pledged US$ 1.8 billion over the period 1998-2000 to support Nicaragua's programme to accelerate growth and reduce poverty within the context of a market economy.

3. At the Consultative Group meeting held in Washington, D.C., on 23 and 24 May 2000, the sound economic performance of Nicaragua during the biennium 1998-1999, with economic growth and decreasing inflation, was emphasized. There was a general agreement that combating poverty is the most important development goal for Nicaragua. The Government has been commended for the progress achieved in the preparation of a comprehensive poverty reduction strategy. President Arnoldo Alemán underlined the importance of governance as an indispensable precondition for confronting poverty and creating the structures for stable development. The international community stressed the importance of transparency in public spending, and urged the Nicaraguan authorities to apply the new instruments at their disposition in order to energetically resolve cases of corruption.

4. During the beginning of the second half of 1998, four central topics became prominent: first, the public confrontation between the Presidency and the Comptroller General's Office; second, the national dialogue between the Government and the political parties with parliamentary representation; third, the questioning of transparency in the administration of public resources; and fourth, the acute poverty, which could not be reduced by the economic strategy for development.

5. At the end of October 1998, hurricane Mitch swept through Central America, and the resulting floods and mudslides killed over 3,000 Nicaraguans and affected nearly 20 per cent of the nation's population. Hurricane Mitch encountered a divided country, with a successful macroeconomic programme with international backing and a critical situation of poverty of the most vulnerable sectors which were the most affected victims of the consequences of the hurricane. The fact that the issue of extreme poverty remained unresolved has determined the confidence in the Government.

6. The most important political event was the agreement achieved by the two main political parties, the Partido Liberal Constitucionalista (PLC) and Frente Sandinista de Liberación Nacional (FSLN), around issues of constitutional reform. Among the more important new accords for reform are the automatic membership in parliament of former Presidents, which caused negative reactions in some political sectors, and the increased number of judges for the Supreme Court and the replacement of judges in the Supreme Electoral Council by the year 2000. The constitutional reforms were approved in January 2000. An additional element of the agreement became the new Electoral Law, criticized by international experts on the grounds that, without justifiable reasons, it makes political participation unduly difficult, with numerous requirements that appear to serve no purpose other than imposing a bipartisan model for Nicaragua.

7. In the current context, in addition to the ruling liberal party and FSLN, Nicaragua's political spectrum has only two other possible options: the Partido Conservador (PCN) and the Movimiento Democratico Nicaruguense (MDN). However, there is no clear indication of support for a third political option.

8. At the end of 1999 the conflict between the executive and the Comptroller General's Office culminated with the imprisonment and eventual liberation of the Comptroller for misuse of public funds. Some sectors interpreted the imprisonment as a

punishment of the Comptroller for his reports on corruption, for which no follow-up has been established by the rest of the state apparatus.

9. Only recently, the Nicaraguan Government requested technical assistance from the Organization of American States (OAS) and the United Nations Development Programme (UNDP) to facilitate a new national dialogue with the participation of the political parties and civil society organizations. Meetings are currently being held with all sectors for the purpose of exploring the convenience, contents and methodology of the dialogue.

III. Consolidation of democracy

A. Human rights

10. In June 1999, the National Assembly elected the Attorney for the Defense of Human Rights and his deputy. That election finally led to the installation of the Attorney's Office for the Defense of Human Rights, created by law in 1996 as an independent state institution. Upon governmental request, UNDP immediately initiated a project, with the support of the Nordic countries, to create the necessary conditions for its functioning, providing office space and equipment, communication facilities, technical assistance and managerial and organizational support. The project also includes the elaboration of a five-year strategic plan for the institutional development of the Attorney's Office, based on a financial strategy and a proposal for external cooperation. In November 1999, the Special Attorney for Children and Adolescents took up his post and the Special Attorney for Women has held public office since May 2000. In view of the achievements of that young institution, which is currently investigating about 60 cases of potential human rights violations, the Government significantly increased its financial support for the year 2000.

11. In relation to children's rights, the most significant change in governmental policy has been the approval by the National Assembly (May 1998) and coming into force (November 1998) of the Code for Children and Adolescents, which adapts the national legislation to the Convention on the Rights of the Child and culminates a process which began in 1996. While the Code has yet to demonstrate its impact on the situation of Nicaraguan children, the preparatory work for its approval, strongly supported by the United Nations Children's Fund (UNICEF), visibly increased the presence of the subject of children and adolescents rights on the Government's agenda, in the media and as an issue for debate among the public in general. The fact that the human and financial resources dedicated to the implementation of the Code are minimal led to the criticism that its provisions are too advanced for Nicaragua, especially in the area of juvenile justice, considered by some groups as too permissive, with youth in conflict with the law. Much will depend on effective advocacy to facilitate the allocation of state resources and donor contributions for the implementation of the Code by means of administrative reforms and training of personnel.

12. Considerable progress could be made in support of the child's right to a name and nationality. The inter-institutional efforts of the Supreme Electoral Council, the National Assembly, members of the Supreme Court, the Board of the National Election Council, the National Civil Registry, members of the Supreme Council of Private Enterprise and mayor's offices led to the creation of 17 windows for the registration of children in hospitals and registration campaigns. At the same time, the National Commission for the Promotion and Defense of the Rights of the Child presented and promoted the National Action Plan for Children and Adolescents (1999-2001).

13. The level of poverty and the perception of parents that poor children will not benefit from education encourage the practice of child labour. Nevertheless, the promotion of public sensitivity about the problem of child labour has seen some advancements, such as major support by the Ministry of Labour for the implementation of national legislation, prohibiting labour for children under 14 years of age. Advocacy by UNICEF for adequate budgetary allocations and technical assistance should contribute to the elaboration of legal regulations and to their implementation.

B. Solution of property conflicts

14. Between 1979 and 1990, a great number of properties were confiscated, expropriated or simply occupied by the Sandinist Government. In order to try to return those properties to their former owners or at least to compensate them, the previous Government

designed a scheme of institutions and procedures, which includes both the executive and judicial powers.

15. For several years, a comprehensive programme has assisted governmental efforts to resolve the property issue, with contributions from various bilateral and multilateral sources, including the Inter-American Development Bank (IDB) and UNDP. It focuses on streamlining administrative procedures and facilitating the revision and solution of property claims, and includes an extensive programme of urban titling. In view of the achievements of the programme, the Government of Sweden, UNDP and the Government of Nicaragua decided to support a second phase of the property programme, which started in August 1998. In December 1997, the administrative system had resolved 40 per cent of about 14,000 claims. By May 2000, the same system has successfully dealt with 60 per cent of almost 17,000 claims. In only 6 per cent of concluded property claims could real estate be given back to their former owners, whereas 75 per cent of the cases have been settled by way of compensation. This clearly shows that while much remains to be done, the problem of property conflicts has decreased significantly.

C. Strengthening of the rule of law

16. Governance, democratization and consolidation of the rule of law have been set as priorities by the Government. The need to reform the judicial system led to the formulation of a national programme for the modernization of justice, implemented by the Government with financial support from a wide range of Governments and organizations, principally the Governments of Sweden, the Netherlands, Spain, the United States of America, the European Union, IDB, the World Bank, UNDP, UNICEF and the Inter-American Institute for Human Rights. Under the umbrella of the programme, various initiatives are carried out, such as the modernization of laws and codes, the restructuring of the Supreme Court of Justice and the Attorney-General's Office, the installation of the Institute of Forensic Medicine, and the integrated reform of the penitentiary system.

17. At the beginning of May 2000, the National Assembly approved the Law for the Creation of the Public Ministry as the entity for opening criminal proceedings, an important step for avoiding conflicts of interests between the competencies of the Attorney General's Office. In December 1999, the Justice Commission of the National Assembly presented a project for a New Penal Code which has already been approved.

1. Modernization of forensic medicine

18. As a result of a project financed by the Government of Spain, with administrative and technical support by UNDP, the Institute of Forensic Medicine has been installed and put into operation in Managua. The Institute is a requirement for a modern criminal justice system, providing technical methods for examining bodies in cases of suspected criminal actions, as well as evaluating injuries of victims of violence. The project is currently in its second phase, focusing on the improvement of the technical capacity, infrastructure and equipment of the Institute.

2. Support to the security forces

19. The police forces in Nicaragua are undergoing a deep transformation into a small, well-organized and professional institution. The national police force has received considerable technical cooperation from various sources, including the Office of the United Nations High Commissioner for Human Rights and UNDP. A UNDP/Spain Trust Fund provided specialized training of police officers and technical equipment for policemen engaged in the Managua Security Plan.

20. A new project, carried out by the national police and supported by UNDP/Office of the United Nations High Commissioner for Human Rights, was initiated at the end of 1999. It contributes to the elaboration of a comprehensive national strategy of the police force, with the purpose of developing the relationship between the police and the community under the principle of respect for human rights.

3. Prison reform

21. The administration of justice in the penal system evidences a profound crisis. Among the 5,500 detainees, one third are deprived of their individual freedom without a sentence. The poor financial situation of the national penitentiary system has a direct impact on such issues as health, infrastructure, rehabilitation and social reintegration. Some of the prisons are in a state of extreme deterioration, lacking

drinking water and minimum standards of security and sanitation.

22. An ambitious project for the integral reform of the penitentiary system in Nicaragua was launched by UNDP in 1998. The project, together with components financed by the Governments of Spain and Japan, encompasses assessments on the needs of the detainees, an integral reintegration programme, the integration of initiatives of civil society and state institutions, capacity-building and self-esteem programmes, and the improvement of infrastructure, existent equipment and living conditions in five penitentiary centres. It is carried out in close cooperation with other sectors of the penal justice programme, such as the Attorney General's Office, the Attorney's Office for the Defense of Human Rights, the Supreme Court of Justice, the National Assembly and the national police.

IV. Demobilization, reintegration and reconstruction of municipalities

A. Landmines

23. During the military confrontation between the Sandinist forces and the "Contras", it is estimated that 135,000 landmines were laid throughout the country. In 1993, the Government of Nicaragua requested the Organization of American States to launch an internationally financed mine action programme, with training, provision of equipment and supervision of mine clearance operations. Currently, the Nicaraguan mine action programme has approximately 600 people working across the country. Mine action efforts include, in addition to mine clearance, a pilot project for physical rehabilitation, assistance for mine victims and a public information and prevention campaign.

24. The United Nations has been also supportive of mine action in Nicaragua. Since 1998, UNICEF has been implementing a mine awareness project, entitled "Child-to-child prevention in Nicaragua" in cooperation with the Nicaragua Red Cross. As a result, more than 8,000 children, adolescents and adults in the most affected departments of the country have been provided with clear and simple information on the dangers of landmines and other explosive devices.

25. A particular obstacle to all demining and awareness-raising activities in Nicaragua was originated by hurricane Mitch: the mudslides and floods swept away and displaced mine fields that had previously been detected. As a consequence, lands that were mine-free before the storm must now be considered as suspected mine areas. Therefore, in early 1999 the United Nations Mine Action Service (UNMAS), with assistance from the UNDP Nicaragua Office, implemented a temporary mine-clearance assistance project to assist the efforts of the Government of Nicaragua in the re-establishment of normal circulation conditions in the areas affected by hurricane Mitch.

26. The Nicaraguan Government, which ratified the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction on 30 November 1998, reported that about 80,000 mines have yet to be destroyed, and has developed a plan to rid the country of the scourge of landmines by the year 2004.

27. Although OAS is the leading organization for mine action in the Americas, it has been agreed with UNMAS that both organizations should foster cooperation, particularly in the area of information exchange, technical support and lessons learned.

B. Productive reintegration of ex-combatants

28. In recent years, a range of projects for ex-combatants, comprising productive reintegration, capacity-building, construction of family habitats and legal support for the set-up of multiple service cooperatives, has been effectively supported by the Secretariat of Social Action, thereby benefiting more than 15,000 persons. Since November 1998, the Institute for Rural Development, with contributions from UNDP and the Government of France, has been implementing the second phase of a programme which provides assistance in the process of the consolidation of peace and the creation of a basis for productive and social development. The first stage of the project responded to the needs of more than 6,000 families of former combatants in over 40 municipalities.

C. Reintegration of Nicaraguans in exile

29. In the early 1990s, the Nicaraguan Government sought the support of the International Organization for Migration (IOM) to create a programme to allow

Nicaraguan professionals to return and reintegrate fully into Nicaraguan society. The qualified Nicaraguan professionals return programme, which was supported by the European Union, ended in August 1999, having transferred 466 professionals and their dependants to Nicaragua, thereby reintegrating a total of more than 1,500 persons.

V. Natural disaster prevention and management

30. The consequences of hurricane Mitch, which hit Central America on 26 October 1998, led to the worst economic, social and ecological losses in Nicaraguan history. Hurricane Mitch affected over 800,000 people, killing more than 3,000 and leaving more than 400,000 people displaced. The storms and floods swept crops away and destroyed bridges and roads, schools and housing, power and water supplies. The Government calculated that total destruction amounted to some US$1.5 billion, almost 65 per cent of the gross domestic product. Nicaragua's growth has been reduced in 1998 from a projected 6.5 per cent to 4 per cent. It is estimated that it could take at least several years of reconstruction to attain the levels of development that existed prior to the catastrophe.

31. Hurricane Mitch also exposed the consequences of past development policies that have produced deep poverty, extreme inequalities in income and access to vital resources, such as land, and intensifying environmental deterioration, creating ever more marginalized and vulnerable communities. Nicaragua was the poorest country in Central America even before the hurricane devastated the region. The levels of poverty translated into chronic problems in health and education, and the high problems of debt servicing, which absorbed over half of government revenue in 1997, constrained the Government's ability to address human development needs.

32. The Government, both in the capital and in municipalities throughout the country, responded to the effects of the hurricane and worked with civil society organizations, who constituted the bulk of the emergency effort. Their efforts have been supplemented by widespread international support, both for emergency and longer-term aid, as well as for some urgent debt relief.

33. From the beginning of the emergency, the work of the United Nations system has focused on addressing the basic needs of the population in terms of shelter, health, infrastructure and food security. The United Nations resident coordinator coordinated the United Nations system's response through the United Nations disaster management team (heads of UNDP, the World Health Organization (WHO), UNICEF, the World Food Programme (WFP), the United Nations Population Fund (UNFPA), the Food and Agriculture Organization of the United Nations (FAO)), in close collaboration with the Government's national emergency committee, local emergency committees, the Secretariat of External Cooperation and the Civil Defense authorities. The United Nations resident coordinator and the disaster management team were supported by a team of United Nations disaster management experts mobilized by the Office for the Coordination of Humanitarian Affairs for the assessment of emergency needs, the management of disaster-related information and the coordination of international response activities.

34. Several meetings were held with the donor community to coordinate assistance. The resident coordinator also promoted a coordination meeting with the national and international NGO community, and established a permanent working group of emergency focal points of the agencies of the United Nations disaster management team to strengthen coordination mechanisms during the emergency.

35. Under the coordination of an inter-agency working group, the United Nations resident coordinator and the United Nations disaster management team prepared a United Nations inter-agency transitional appeal for relief and immediate rehabilitation, to cover needs in the country during the period December 1998-May 1999. Altogether, the United Nations system in Nicaragua invested about US$ 30 million.

36. A joint (Office for the Coordination of Humanitarian Affairs, WHO/Pan-American Health Organization (PAHO), UNICEF, UNDP) disaster response and recovery mission was undertaken in areas of Nicaragua (and also in Guatemala, El Salvador and Honduras) affected by hurricane Mitch to assess the United Nations system coordination and make recommendations for improved disaster preparedness. Its report was presented at an international meeting held in Santo Domingo in February 1999, and a progress report on actions taken followed in December 1999.

37. UNDP sent focal points to the main affected areas soon after the hurricane passed in order to assist the local authorities in the management of immediate relief activities, gathering of information, monitoring and supervising UNDP assistance at local level. They provided the Managua office with the latest information on the situation and coordinated efforts at local level with the institutions involved. In December 1998, UNDP launched an ambitious rehabilitation project in 25 municipalities in the northern part of the country. With contributions from UNFPA, UNICEF and the Government of Finland, the project offered survivors an integral solution for a sustainable livelihood as well as training and access to resources for productive activities. The confluence of different actors in the same geographical areas facilitated a number of innovative partnerships with bilateral donors and national and international NGOs, ranging from the Red Cross to religious organizations. UNDP promoted and led this "associative chain" through sound technical support and extensive coordination activities. Some institutions channelled resources through UNDP, while in other cases independent but complementary actions were achieved.

38. In December 1998, the Paris Club met to agree a suspension of debt-service payments for Nicaragua, and this meeting was immediately followed by a donor Consultative Group meeting in Washington, D.C., which also agreed to support multilateral debt payments via a trust fund. Donors committed their support to Nicaragua and other affected Central American countries. It was further agreed at this meeting that Governments affected by hurricane Mitch would consult with civil society and develop proposals for reconstruction to be discussed in a second Consultative Group meeting in Stockholm in May 1999.

39. The following year began with the preparation and the general expectations around the Consultative Group meeting for the reconstruction and transformation of Central America in Stockholm from 25 to 28 May 1999. The formulation of the documents presented by the Nicaraguan Government in the meeting included important steps of consultation with civil society and all other important sectors. The principal opposition party, FSLN, did not participate in the process. The United Nations system in Nicaragua contributed to the preparations of the Stockholm meeting, facilitating and financing a donor forum for the strategic vision and ensuring the participation of civil society representatives in the Consultative Group. As an important mediator of the Government, the United Nations system supported the improvement of its documents through the incorporation of cross-cutting themes, such as population and social and ecological vulnerability.

40. In the Consultative Group meeting, Nicaragua presented a five-year plan, defining needs of US$ 2.5 billion, US$ 1.3 billion being of main concern. This plan focused on four main areas: the social sectors, infrastructure, rural development and governance. The international community praised the plan for national transformation, sustaining the importance of a vision of transformation for the country, and agreed with the priorities of the plan, including decentralization, disaster prevention, transparency, institutional strengthening (Supreme Electoral Council, National Assembly, Justice Supreme Court, Comptroller General's Office) and anti-poverty policies. At the same time, the donors questioned various aspects of the proposal's political credibility and mechanisms of implementation.

41. In the post-emergency phase, the United Nations system is contributing to the prevention and management of natural disasters and improvements in the area of migration, population distribution, environment, human rights, basic education and the recovery of basic agricultural production and human settlements with a productive focus. Horizontal cooperation has been promoted through a strategy based on social and gender equity, governance and decentralization.

42. As a joint initiative of WFP and FAO, the regional Operation for Help and Recuperation initiated its activities in July 1999 in Honduras, Nicaragua, El Salvador and Guatemala. The Operation is designed for two years and concentrates on families and vulnerable groups which lost their belongings or principal source of income. The objective is to provide assistance to more than one million persons. Under the food-for-work scheme, the beneficiaries carry out activities for the rehabilitation of their economic and social infrastructure and for soil conservation and forest activities.

43. Although Nicaragua is frequently affected by natural disasters, the country lacks a permanent disaster prevention and handling system, and has repeatedly

reacted through ad hoc organizations implemented in post-emergency situations. After the catastrophe caused by hurricane Mitch clearly demonstrated the nation's extreme level of vulnerability, the Government of Nicaragua understood that the only course for confronting that reality is the definition of a national strategy to organize intersectoral coordination structures that allow coherent actions. As a result, the Government, through the Vice Presidency of the Republic, requested UNDP for special technical assistance to create a disaster prevention and management system. After a long series of public forums and meetings, both civil society and governmental actors defined a national policy, which is supported by the creation of a national disaster prevention, mitigation and response system. A technical team, supported by UNDP, helped draft the corresponding framework law (Law 337), signed by the President of the Republic in April 2000. With the passing of that modern, decentralized, participatory and realistic law, Nicaragua became the first Central American nation to move towards an integrated disaster prevention and response system, and the third in Latin America after Colombia and Mexico.

VI. Decentralization and local development

44. As an element of the post-structural adjustment reforms and the process of modernization and reform of the state, decentralization is a topic of significant relevance both nationally and for the donors' policy dialogue with Government. Yet progress in the process of decentralization is rather slow. Current governmental efforts focus on investments in infrastructure and poverty eradication to prepare local governments for future autonomy.

45. A group of donors channelling aid for local level development have expressed concern about the lack of a decentralization policy by the Government despite the reinvigoration of the Sectoral Commission on Decentralization, a specialized advisory body of the central Government comprising several sectoral ministries, the Nicaraguan Institute for the Advancement of Municipalities, (INIFOM), the Nicaraguan Company for Aqueducts and Sewer Systems and a delegate from the Presidency. While the Commission on Decentralization has provided some leadership, it is in effect a subsidiary policy coordination body, ultimately reporting to the Vice-President and not to the Presidency, which by regulation has purview over relations between the central and municipal governments. INIFOM, which is legally mandated to coordinate decentralization activities, has limited its actions to channelling donor and central government funding and assorted capacity-building activities to the municipal level. This institutional predicament has given way to fragmented initiatives of deconcentration, administrative decentralization or delegation that, while more efficient, may run counter to the critical goal of devolution of powers to municipalities.

46. As a result of macro-stabilization policies, the financial situation of municipalities has deteriorated to a point where services to citizens have been sharply reduced. The issuance of several legal instruments under the two preceding Governments and their subsequent revisions based on initial implementation experience did not succeed in laying the ground for a comprehensive policy framework, and there is little evidence of political continuity towards a much-needed policy on decentralization.

47. On the other hand, there is some evidence that the Government is willing to intensify its efforts to develop a policy framework that would allow it to formulate comprehensive and decisive policy. In early 1999, departmental secretariats of the Government were established as deconcentrated administrative entities with the purpose of coordinating and supervising governmental activities over the whole country. They also serve as a link between municipal demands and the plans of the central Government but are not backed by civil society. In 2000, municipalities for the first time received a share of 1 per cent of the Nicaraguan general budget, in response to mayors' demands.

48. In the context of the promotion of school autonomy, the Ministry for Education, Culture and Sports is expanding school coverage by way of community participation in the pre-school, primary and secondary school education. The Ministry of Health has achieved the administrative decentralization of its functions due to the establishment of local integral health-care systems. Technical support by the implementing agencies (WHO/PAHO and UNICEF) for this project has been crucial for its success. Improvements of institutional capacity and indicators of the six systems, assisted by the project, laid the ground for the design of a new phase (2000-2004),

which will gradually transfer administrative responsibilities from the agencies to the Health Ministry. In accordance with the law, the Ministry for Transport and Infrastructure transferred the control, regulation and administration of transport to all municipalities. That measure had very negative effects, mainly due to a lack of capacities and financial resources at the municipal level. With regard to decentralization in the area of environmental management, the Ministry for Environment and Natural Resources, in collaboration with the municipalities, has created municipal and territorial commissions for environment, which are already functioning in about 40 municipalities.

49. An integrated basic services programme has been carried out by UNICEF in 30 municipalities heavily affected by the war. Activities of the programme include institution-strengthening, child rights, health, education, women's participation, and water supply and sanitation, thereby complementing considerable efforts of governmental entities, such as the Ministry of Health, the Ministry of Education, Culture and Sports and the Ministry of Agriculture and Forestry. Due to hurricane Mitch, which affected all the programme's municipalities, special emphasis was given to rehabilitation of health and education infrastructure damaged by the hurricane. The organizational location of important programme components within the Secretariat of Social Action exposed it to political influence, which affected interventions. Also, increasing centralization in decision-making by the Secretariat limited the participation of communities and municipalities, while lack of an overall governmental policy for decentralization has become a serious constraint to a project aiming at decentralized institutional development at the local level. In agreement with the donor, it was decided to put on hold all activities before the last quarter of 1999.

50. Based on capacity-building programmes funded by UNDP, which have been put into operation in more than 100 municipalities, the Government is implementing a pilot project in 21 municipalities for the career in municipal administration. The project has been designed by INIFOM, which is promoting the approval of a law for careers in municipal administration and the civil service. The preparation of the proposal is based on practical experiences and a favourable legal background, both constitutional and through the Law of Municipalities. The National Assembly is currently considering the draft of the law, and its approval and regulation is expected before the end of 2000.

51. A major part of projects and programmes, supported by the international community, has its focus not directly on decentralization but on enhancing the technical and administrative capacities at the municipal level and strengthening community participation in the identification and prioritization of projects. The PROTIERRA project of the World Bank, carried out by INIFOM in 32 municipalities of the country, contributed to modernize an outdated system of tax collection, leading to considerable increments in municipal revenues. The mayor's offices of the participating municipalities improved their services of drinking water, road improvement, street lighting, construction of bridges and sewer systems and garbage collection. The project emphasizes the responsibilities of the population for the development of their communities. Similar projects are carried out directly by mayors' offices, with support from the Governments of Denmark, the Netherlands and Spain.

52. The assistance of UNDP and the Danish International Development Agency (DANIDA) through a project entitled "System of municipal land registry" has contributed to the establishment and strengthening of a land registry system to levy taxes for land and property real estate at the level of municipal mayors offices. The project is currently in its third stage, and has facilitated an increase in tax revenues and fiscal autonomy. A major consequence of the setting-up of the land registry system has been the creation of the National Land Registry Commission and the organization of several forums for discussion between different institutions. An innovative project supported by UNDP and executed by the United Nations Centre for Human Settlements (Habitat) and INIFOM, which contributes to the integral development of human settlements, has been recently initiated. It aims at strengthening local administrative capacities, community organization and the reduction of housing deficits.

53. The Social Emergency Fund is in charge of the execution of a project of participative planning in 43 municipalities and the decentralization of the administration of project cycles in nine municipalities. In the latter case, the Fund transfers the entire control of identification, selection and supervision of social infrastructure projects to the local governments. By

means of local participative planning, FISE facilitated the identification of small-scale projects, with high community participation at a low cost.

54. A special feature of the Nicaraguan decentralization process has been the strong support by civil society, which stresses the need to define a comprehensive model of decentralization in contrast to the existing "de facto decentralization", a result of responding individually to the requirements of the different levels of administration. Recent studies underline the fact that a comprehensive and integral policy of decentralization is not realistic in the short run.

VII. Population, women's rights, and sexual and reproductive health

55. The cooperation of UNFPA with the Nicaraguan Government during the period 1998-2000 has contributed to important changes in the consideration of population issues in public policies. The Government approved a national policy on population and is in the process of elaborating its action plan under the coordination of the national population commission. This vision of the crucial importance of population factors for sustainable development has been incorporated in the strategies presented in the Consultative Group meetings held in Geneva, Stockholm and Washington, D.C., where the Nicaraguan Government recognized that rapid population increase exerts great additional pressure on the capacity to provide basic social services and diminishes the effects of economic growth on poverty reduction. With support from civil society organizations, especially those related to the defence of women's rights and reproductive health, the country has achieved substantial progress towards the objectives of the International Conference for Population and Development and has a clearer perception of the strategic importance to train human resources in issues of population, rights and sexual and reproductive health.

56. The programme promoted a decentralized focus through the Association of Municipalities and community organizations, contributing to the strengthening of local authorities and support for the production and utilization of sociodemographic information. With assistance from UNFPA and the United States Agency for International Development, the Health Ministry has been supplied with a large stock of contraceptive devices for the next years.

57. At the end of 1999, the estimated number of people affected by human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) in Nicaragua was 476, with an increase of 5 per cent from 1998 (UNFPA mid-term review report of June 2000). Projections by the Health Minister admit that actual figures might be much higher. In 1999, the Joint United Nations Programme on HIV/AIDS (UNAIDS) supported the Government in the preparation of the national AIDS plan, in the monitoring of activities for the prevention of sexually transmitted diseases (STDs/HIV/AIDS) implemented with the army and the police, and information activities for teacher training schools. The same year saw the expansion of the UNAIDS group, including such partners as the education and health ministries, the health committee of the National Assembly, the Nicaraguan Institute for Women, the Nicaraguan Human Rights Centre, the National AIDS Commission and NGOs. The United Nations system's theme group on AIDS includes technical staff from each agency and national counterparts. A PAHO/WHO project with bilateral funding makes PAHO/WHO the leading agency on HIV/AIDS in the country.

VIII. Environmental management

58. In Nicaragua, agricultural and forestry practices are the principal reason for the accelerated loss of natural forest coverage and biodiversity, shortages of surface and groundwater, and the severe erosion of soils. In October 1998, hurricane Mitch wreaked unprecedented agricultural and ecological destruction upon Nicaragua's western Pacific and central regions. The disaster was made worse by intense deforestation, soil erosion and unsustainable farming practices.

59. In recent years, several diagnostic studies (including poverty and environmental assessments) have been undertaken by governmental agencies, private institutions and development cooperation agencies. As a result of those efforts, various strategies have been proposed to reduce the environmental degradation and promote ecological restoration as a means of mitigating poverty and fostering sustainable development. The national council for sustainable development has published a proposal titled

"environmental plan of action for the transformation and reconstruction of Nicaragua" (March 1999), which provides guidelines and concrete actions for environmental regeneration and vulnerability reduction.

60. International cooperation in the environmental field currently comes from many different sources, both bilateral (Austria, Germany, Canada, Denmark, United States, Finland, Holland, Norway and Sweden) and multilateral (Inter-American Development Bank, World Bank, Central American Bank for Economic Integration, UNDP, United Nations Environment Programme (UNEP) and Global Environment Facility (GEF)).

61. To date, Nicaragua does not have a law that protects its biological resources. But since the beginning of 2000, the Ministry of Environment and Natural Resources has launched a project for the elaboration of a national biodiversity strategy and action plan. The project is supported by UNDP and GEF. Since 1998, UNDP has established a number of projects, including the capacity 21 programme, furthering the consolidation of the national sustainable development council; a Green municipalities project, which will contribute to environmental management and sustainable development at the local level; the elaboration of a national report and action plan to combat desertification and drought; a climate change project; which creates a national inventory for emissions of gases with greenhouse effects; a study on the potential impact of climate change in Nicaragua; and a national action plan to confront climate change and its adverse effects.

62. A regional UNDP/UNEP project for the establishment of a programme for the consolidation of the Mesoamerican biological corridor was initiated in April 2000. The corridor is a priority of the Central American Alliance for Sustainable Development, and will consist of a network of protected areas and their buffer zones, linked by biological corridors. It constitutes a central development concept for the subregion, integrating conservation and the sustainable use of biodiversity within the framework of sustainable economic development.